

AMENDED IN SENATE JUNE 15, 2010

AMENDED IN ASSEMBLY APRIL 20, 2010

AMENDED IN ASSEMBLY MARCH 25, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2564

Introduced by Assembly Member Swanson

February 19, 2010

An act to amend Section 13305 of the Government Code, relating to state finance.

LEGISLATIVE COUNSEL’S DIGEST

AB 2564, as amended, Swanson. State Budget: tax expenditures.

Existing law requires the Department of Finance to provide an annual report to the Legislature on tax expenditures, as specified, no later than September 15 of each year.

This bill would require the Department of Finance to provide the report described above on February 1 of each year ~~and to provide the report directly to a Member of the Legislature upon request.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 13305 of the Government Code is
- 2 amended to read:
- 3 13305. (a) The department shall provide an annual report to
- 4 the Legislature on tax expenditures by no later than February 1 of
- 5 each year. The report shall include each of the following:

1 (1) A comprehensive list of tax expenditures exceeding five
2 million dollars (\$5,000,000) in annual cost.

3 (2) The statutory authority for each credit, deduction, exclusion,
4 exemption, or any other tax benefit as provided by state law.

5 (3) A description of the legislative intent for each tax
6 expenditure, if the act adding or amending the expenditure contains
7 legislative findings and declarations of that intent, or that legislative
8 intent is otherwise expressed or specified by that act.

9 (4) The sunset date of each credit, deduction, exclusion,
10 exemption, or any other tax benefit as provided by state law, if
11 applicable.

12 (5) A brief description of the beneficiaries of the credit,
13 deduction, exclusion, exemption, or other tax benefit as provided
14 by state law.

15 (6) An estimate or range of estimates for the state and local
16 revenue loss for the current fiscal year and the two subsequent
17 fiscal years. For sales and use tax expenditures, this would include
18 partial year exemptions and all other tax expenditures when the
19 State Board of Equalization has obtained that information.

20 (7) For personal income tax expenditures, the number of
21 taxpayers affected and returns filed, as applicable, for the most
22 recent tax year for which full year data is available.

23 (8) For corporation tax and sales and use tax expenditures, the
24 number of returns filed or business entities affected, as applicable,
25 for the most recent tax year for which full year data is available.

26 (9) A listing of any comparable federal tax benefit, if any.

27 (10) A description of any tax expenditure evaluation or
28 compilation of information completed by any state agency since
29 the last report made under this section.

30 (b) For purposes of this section, “tax expenditure” means a
31 credit, deduction, exclusion, exemption, or any other tax benefit
32 as provided for by the state.

33 ~~(c) In addition to the provision of the report required by~~
34 ~~subdivision (a), the report shall be provided directly to a Member~~
35 ~~of the Legislature upon request.~~